GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department – Extension of certain incentives under A.P. Textile and Apparel Policy 2015-2020 under Mega Project Status to M/s. Toray Industries (India) Private Limited located in Sri City, Chittoor District Andhra Pradesh - Orders-Issued.

INDUSTRIES & COMMERCE (PROGRAMME-II) DEPARTMENT

G.O.MS.No. 156 Dated: 09-11-2017

Read the following:-

1. Letter received from the Head – Strategic Planning & Corporate Development, TORAY, Dt:11.10.2017.
2. State Investment Promotion Committee Meeting on 16.10.2017
3. State Investment Promotion Board Meeting on 17.10.2017

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ORDER:

In the letter 1st read above, the M/s Indo Toray Industries (India) Private Limited intends to establish an advanced synthetic technical textile (Polypropylene (PP) Spun Bond) manufacturing plant for the personal hygiene and healthcare industry. The proposed investment in the plant is approx. Rs 970 cr with a direct employment generation of about 100 people for Line 1 and 130 people for Line 2. Indirect jobs to the tune of 400 to 520 service jobs may be generated by 2020 and 2023 respectively. Plant Line 1 will take 2 years to construct with commercial production targeted for 2019. Company will be located in Sri City in Chittoor district. The Company requested the following incentives:-

Requests within the Policy

(i) 100% of stamp duty paid on purchase of land for industrial use will be reimbursed subject to plinth area restrictions

Outside the Policy

(i) Investment subsidy with a relaxation in the cap of USD 1.5 million to be reimbursed as technical textiles are a niche sector and the quantum of investment in the proposed plant is high.

(ii) 100% reimbursement of gross SGST on investment with input tax credit on raw materials consumed in the state for a period of 20 years or till FCI is recovered.

(iii) Reimbursement of power consumption @INR 3.00 per unit for a period of 7 years from date of commercial production. Further, Company requests for exemption in electricity duty for the same period. Interest subsidy as given to debt financed units for a period of 7 years (including a moratorium of 2 years).

(P.T.O)

(iv) 10% subsidy on cost of plant & machinery to large units for specific cleaner production measures, limited to USD 0.052 million

(v) Toray requests subsidy for 50% of the actual costs incurred towards the cleaner production/green measures with a relaxation in cap as the Company plans to utilize the CETP for their future expansions as well. The estimated cost of the CETP is Rs 120 cr. 50% of cost with no cap is estimated to be approx. Rs 60 cr.

(vi) Company requests for one-time training subsidy of Rs 10,000 per new employee

(vii) Interest subsidy as given to debt Interest subsidy as given to debt financed units for a period of 7 years (including a moratorium of 2 years) as Toray may consider debt financing of the estimated investment at a capital structure of 50% equity and 50% debt with term loan of about Rs 500 cr.

(viii) As a labour intensive unit in a backward area, Company has requested for reimbursement at a rate of approx. USD 8/employee per month or USD 4,600 per annum whichever is less, for the first two years for transportation of employees.

(ix) Reimbursement of expenses incurred towards quality certification/patent registration as the proposed plant is one of a highly technical nature.

(x) Reimbursement of employer's contribution to mandatory PF/ESIC.

(xi) Company requests for extension of incentives to other projects which may be housed in AP under their India Expansion Plan.

(xii) The Company requests for a relaxation in the production date for a period of nine months to December 31, 2020 instead of as defined by the Textile Policy 2015-20 (commencement before 31 March 2020).

(xiii) Company requests for long term administrative support through a single designated person/point of contact.

2) In the reference 2nd read above, the State Investment Promotion Committee (SIPC) examined the proposal and discussed in detail and recommended the following incentives to M/s Toray Industries (India) Private Limited:-

(i) 10% of capital subsidy limited Rs.10 crore available for standalone garmenting and apparel Mega Projects, as being the 1st Mega Technical Textile Project with Japanese Foreign Direct Investment

(ii) Reimbursement of 100% net SGST accrued to the State, for 20 years or limited to 100% of the fixed capital investment, whichever is earlier, post adjustment of the capital subsidy provided to the company.

(P.T.O)

(iii) 50% subsidy for green measures as per IDP 2015-20 Policy with a ceiling of Rs 50 crore, as extended to all other Mega Projects.

(iv) To extend time up to 31st December 2020 for commencement of Commercial Production, duly relaxing the time line from 31st March 2020 as envisaged in Textiles & Apparel Policy 2015-2020 since the Company will be an anchor unit in a backward district in the technical textile sector.

(v) Onetime Training Subsidy @Rs 10,000 person, trained and employed limited to 130 direct employment.

(vi) All other incentives as per the Textile and Apparel Policy 2015-2020.

3) In the reference 3rd read above, the State Investment Promotion Board (SIPB) has examined the proposal and discussed in detail and decided to consider M/s Toray Industries (India) Private Limited for the following incentives:-

(1) 10% of capital subsidy limited Rs 10 crore available for standalone garmenting and apparel Mega Projects, as being the 1st Mega Technical Textile Project with Japanese Foreign Direct Investment.

(2) Reimbursement of 100% net State Goods and Services Tax accrued to the State, for 20 years or limited to 100% of the fixed capital investment, whichever is earlier, post adjustment of the capital subsidy provided to the company.

(3) 50% subsidy for green measures with a ceiling of Rs 50 crore, as extended to all other Mega Projects.

(4) To extend time up to 31st December 2020 for commencement of Commercial Production, duly relaxing the time line from 31st March 2020 as envisaged in Textiles & Apparel Policy 2015-2020 since the Company will be an anchor unit in a backward district in the technical textile sector.

(5) Onetime Training Subsidy at the rate Rs 10,000 per person, trained and employed limited to 130 direct employment.

(6) To nominate a nodal officer from Industries Department to facilitate speedy grounding of the project.

(7) All other incentives as per the Textile and Apparel Policy 2015-2020.

4) Government after careful consideration of the recommendations of the State Investment Promotion Board hereby agree to provide incentives under mega project status to M/s Toray Industries (India) Private Limited as proposed in Para (3) above.

5) The Commissioner of Industries, Andhra Pradesh, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIA RAJ,
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Andhra Pradesh, Vijayawada.
M/s. Toray Industries (India) Private Limited, 504, 5th Floor, Vatika City Point, M.G.Road,Gurgaon, Haryana.
The PR& RD (PR) Department.
The MA& UD Department.
The H.M.& F.W. Department.
The Collector& District Magistrate, Krishna / Guntur District.
The VC&MD,APIIC Ltd.
The General Manager, District Industries Centre, Krishna / Guntur District.
Copy to
The Finance (EBS-VIII) Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law(H) Department.
The Accountant General, Andhra Pradesh
The Commissioner of Commercial Taxes
The Vice Chairman & Managing Director, APIIC, Vijayawada.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED BY ORDER//

SECTION OFFICER